

Risky Republican Privatization Plan Will Cut Social Security Benefits by More than 40 percent and Hurt Native Americans

The Republican privatization proposal hurts everyone, but Native Americans are particularly at risk. This proposal will cut guaranteed Social Security benefits by more than 40 percent in the coming decades. Risky private accounts, which endanger retirement benefits for millions of Americans, won't make up the drastic loss in benefits. Social Security needs a solid source of funding, not a plan that makes the problem worse by draining trillions of dollars away from Social Security. This plan forces America to borrow trillions from foreign countries and leads to future tax increases. Under the Republican proposal, Social Security does not get stronger – it gets weaker.

Social Security provides retirement and economic security –the foundation for Native Americans to be successful. Nearly 354,000 Native Americans and Alaskan Natives receive Social Security benefits. One-third of Native American beneficiaries rely on Social Security for all of their income. In 2001, the average monthly benefit for Native Americans was \$731.

More than 350,000 Native Americans receive Social Security, yet Republicans are advocating Social Security privatization that will hurt everyone, including today's beneficiaries. Privatization would take trillions from Social Security, endangering the benefits of current retirees and people with disabilities. It would also directly cut benefits by more than 40 percent for future generations -- even for people who decide not to set up a private account.

Social Security is a good deal for Native Americans; Republican private accounts are not. Social Security gives people with lower earnings a greater return on what they paid in, and Native Americans on average have lower incomes. In fact, nearly one-quarter of Native Americans live in poverty, and the unemployment rate for Native Americans is more than twice the national average. These communities simply cannot afford Republican private accounts, which would be less progressive, and would not make up for the Social Security benefit cuts, when you take the risk of investing in the market into account.

Republican privatization plans cut benefits and make Native American seniors worse off. The Republican privatization plan will also harm Native Americans more, as their life expectancy at age 65 is 3 years longer than white Americans, meaning that contributions to the private account would have to last longer. Also private accounts do not include the guaranteed annual cost-of-living increase in Social Security, which would jeopardize the retirement security of Native American families and communities.

Republicans may discriminate against minorities in Social Security reform. Republican Chairman Bill Thomas, the key committee chairman, has raised the prospect of changing Social Security to provide minority workers with a different level of retirement benefits than white workers, based on their life expectancy.

Republican cuts in disability benefits would also particularly harm Native Americans. Social Security provides disability benefits to young Native Americans workers, who are more likely to become disabled than all Americans. In fact, more than 28 percent of Native Americans adults are disabled – more than twice the percentage of all Americans. The Republican plan would cut disability as well as retirement benefits, by more than 40 percent, even if you do not have a private account.

Native Americans have paid into Social Security for years – and Democrats will fight to protect those benefits. Social Security is based on the contributions of millions of workers in order to ensure that every American can achieve retirement security. Congress should not be allowed to spend Social Security taxes on anything but Social Security benefits. Democrats will fight to ensure that all workers are paid the benefits they were promised. We want to help families save by expanding access to 401(k)'s, IRAs, and other pension opportunities.